

SENATE BILL REPORT

SB 6434

As Reported By Senate Committee On:
Financial Institutions & Insurance, January 23, 2008

Title: An act relating to distributing the insurance commissioner's examination reports.

Brief Description: Distributing the insurance commissioner's examination reports.

Sponsors: Senator Berkey; by request of Insurance Commissioner.

Brief History:

Committee Activity: Financial Institutions & Insurance: 1/22/08, 1/23/08 [DP].

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: Do pass.

Signed by Senators Berkey, Chair; Hobbs, Vice Chair; Franklin, Parlette, Prentice and Schoesler.

Staff: Aaron Gutierrez (786-7448)

Background: The Insurance Commissioner (Commissioner) examines the affairs, transactions, accounts, records, documents, and assets of certified insurers, licensed rating organizations, and examining bureaus in the state. Upon completion of the examination, comment, and reporting periods, the Commissioner issues a final order either adopting the report, rejecting the report, or calling for an investigatory hearing. If the order adopts the report, the Commissioner may order the company to take any action the Commissioner considers necessary and appropriate. All orders must be served upon the company by certified mail. A copy must go to each director at the director's residence address.

The Commissioner has discretion to conduct market examinations. Upon completion of the examination, comment, and reporting periods, the Commissioner issues a final order either adopting the report, rejecting the report, or calling for an investigatory hearing. If the order adopts the report, the commissioner may order the company to take any action the commissioner considers necessary and appropriate. All orders must be served upon the company by certified mail. A copy must go to each director at the director's residence address.

Summary of Bill: Orders may be served upon the company through a certifiable electronic means. Copies may be sent to the directors' personal e-mail accounts.

Appropriation: None.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This is a minor, technical change. It provides a modern and more efficient mechanism. It is important for the directors of the company to receive the reports without first channeling them through the company. This will be more convenient for directors, who can now choose where the report goes.

Persons Testifying: PRO: Mary Clogston, Office of the Insurance Commissioner; Mike Kapphahn, Farmers Insurance.